



North Carolina Receipts Requirements for Reimbursement and Duplication of Benefits

Grantees and sub-recipients may charge to CDBG-DR grants the eligible pre-award and pre-application costs incurred by individuals and private entities related to single and multi-family residential structures. The Housing Recovery Program (HRP) maximum benefit award is \$25,000 for the Homeowner Reimbursement program. An applicant must apply to the HRP, and comply with the requirements to complete the eligibility process and that includes the submittal of receipts that will be reviewed by staff or contractors implementing the HRP.

Pre-award and pre-application costs may be charged only if the person or private entity incurred the expenses within one year after the date of the disaster and before the date on which the person or entity applied for CDBG-DR assistance. The provision of 24 CFR 570.489(b) is applied only to permit a State to charge to the grant otherwise allowable costs incurred by itself, its recipient or subrecipients (including public housing authorities (PHAs) on or after the incident date of the covered disaster. Grantees receiving an allocation under this notice are also subject to HUD's guidance on pre-award expenses, published in CPD Notice 2015-07, "Guidance for Charging Pre-Application Costs of Homeowners, Businesses, and other Qualifying Entities to CDBG Disaster Recovery Grants", as amended.

For example, a person who incurred eligible expenses for rehabilitation in the wake of Hurricane Matthew on October 8, 2016, may be eligible to receive CDBG-DR assistance for costs incurred (documented rehabilitation costs) up until October 8, 2017. However, if that person or private entity applied to a grantee's or sub-recipient's CDBG-DR program on July 4, 2017, then only expenses incurred before July 4, 2017, would be eligible for reimbursement.

The following types of repairs or expenses that are eligible items and may be deducted from the final DOB analysis are (list may not be all-inclusive):

1. Plumbing, electrical systems, heating, ventilating and air conditioning systems;
2. Fuel systems for cooking, septic systems, water wells;
3. Windows, doors, roofs, interior floors;
4. Stoves and refrigerators, when feasible;
5. Emergency access repairs;
6. Elimination of health and safety hazards;
7. Structural parts of the home (foundation, outside walls, and roof);
8. Entrance and exit ways from the home, including privately owned access roads;
9. Blocking, leveling, and anchoring of a mobile home and reconnecting or resetting its sewer, water, electrical and fuel lines, and tanks;
10. Tool and equipment rental;
11. Force mortgage pay-off requiring any insurance proceeds to be applied to the lien.

The following types of repairs/expenses are ineligible items and may not be deducted from the final DOB analysis are (list may not be all-inclusive):

- Personal Property (vehicles, furniture, goods, clothing etc.);
- Repairs made to nonresidential structures that are not attached to primary residence (i.e. pools, sheds, detached garages);
- Tools and equipment (may be rented not purchased);
- Playground equipment, satellite dishes and security systems;
- Appliances and housing components that are not integral to the structure of the home such as washers, dryers, luxury items, detached garages and carports.

Receipt Requirements:

The HRP sub-grantee or sub-recipient will only accept legible receipts for reimbursement consideration. Repairs cannot be verified by inspection alone. An inspection by the sub-grantee or sub-recipient will identify that work was done and if the home has remaining code, health and safety issues. A cost analysis of the repairs made by the homeowner based on the receipts received will also be conducted to determine cost reasonableness.

Acceptable proof of payment for repair work completed by a contractor, service provider or purchases by the owner must:

1. relate the payment to specific work completed;
2. prove payment was made;
3. demonstrate that the timing of the payment supports the certifications of the timing of the work;
4. invoices clearly identify the contractor/service provider;
5. invoices list or includes a specific scope of work that is supported by a cancelled check, or credit card statement, or bank card debit record that clearly identifies the payee;
6. the owner should check the items on each receipt to indicate that an item was purchased to repair the home;
7. on the receipt, the owner should provide a handwritten description briefly describing what was repaired with the materials and the owner should initial it.

The Process:

The sub-grantee or the sub-recipient will review the receipts supplied by the homeowner and identify the eligible receipts, conduct an inspection of the home; procure the services of a qualified company or individual to conduct a comprehensive cost analysis to determine the cost reasonableness of the repairs utilizing the receipts submitted and conduct a duplication of benefits analysis. The cost analysis must be based on mid-grade materials. Ineligible items identified in the inspection report must be excluded from the reimbursement.

North Carolina CDBG-DR Receipt Requirements for Reimbursement and DOB

Revision History:

Version	Date	Page	Description
#2	4.12.18	1 & 2	Edited and process renamed. Revised receipt requirement to: receipts <u>must</u> be provided to be considered for the HRP repair reimbursement program or for DOB.

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